
United States Interests and Strategic Goals in East Asia and the Pacific

By

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Overview: United States Interests

The region is experiencing a period of growth marked by several trends favorable to our interests. Democracy is on the rise, more and more people are benefiting from economic prosperity, and the region is generally at peace. Governments throughout the region are beginning to work multilaterally to address transnational problems, as well. We attribute these and other favorable trends in part to the leadership and the assistance the U.S. has provided over the years.

It is doubtful that East Asia and the Pacific would be enjoying this upturn were it not for the fact that it is experiencing a period of regional stability upon which to build political, social, and economic ties. For this reason, the Bureau of East Asian and Pacific Affairs (EAP) has placed maintenance of regional stability at the top of its list of strategic goals for fiscal year (FY) 2006, complemented by our commitment to enhancing regional prosperity and liberty. Different resources are required to achieve these objectives in different parts of the region. In Southeast Asia, combating terrorism remains an essential requirement in maintaining regional stability. Our efforts returned some encouraging results in 2004 that we will want to build on. In Northeast Asia, we will continue to focus on the transformation of the Korean Peninsula and on the positive integration of China into global and regional regimes and institutions. Region-wide, we will promote sustained economic growth and development, bolster our relationships with key partners in the region and especially with our five major allies, and build an open and inclusive regional institutional architecture. Bilateral and multilateral cooperation to counter the proliferation of weapons of mass destruction, foster democracy and human rights, and attack international crime and trafficking in drugs and persons are strategic objectives on their own, but clearly our success in pursuing these objectives will affect our overall success in maintaining regional stability. An additional goal in FY 2006 addresses social and environment issues, particularly health concerns such as human immunodeficiency virus and acquired immunodeficiency syndrome (HIV/AIDS). Strong public diplomacy can leverage all of these efforts.

Regional Stability

In an unstable region, U.S. goals become more difficult to achieve. Success in countering terrorism, enhancing economic prosperity, eliminating weapons of mass destruction, promoting democracy, and addressing transnational issues strengthens regional stability. The fight against terrorism is essential for the stability of Southeast Asia, and we require adequate funds to wage this war. We also recognize the need to address corruption, good governance and transparency in Southeast Asia, and in FY 2006 we intend to add more assistance focus on these issues in key Southeast Asian countries. In Northeast Asia, we will continue to focus on the transformation of the Korean Peninsula and on the integration of China. We will continue to do all we can to keep peace and ensure stability in the Taiwan Strait. While foreign assistance funds factor less in our Northeast Asia objectives, it is essential that we have adequate diplomatic presence, public diplomacy funding, and other resources to permit us to pursue active, successful diplomatic strategies.

We have alliances with five key regional states:

- Australia;
- Japan;
- South Korea;
- Thailand; and
- The Philippines.

These alliances leverages our ability to maintain regional stability, stay forward-deployed, and plan and execute force deployment adjustments. We will continue to strengthen these alliances. In the Philippines, we want to sustain and enhance the ongoing process of building the operational capabilities of the Armed Forces of the Philippines (AFP). With a five-year plan for support and repair of operational platforms coming to an end, we will shift our attention to professionalizing and modernizing AFP through the Philippine Defense Reform (PDR) plan. We believe the results of the PDR will be enhanced now that the Philippine government is controlling its own funding to the plan.

Following the devastating Indian Ocean tsunami, the Thai government generously allowed U.S. military forces to use Utapao Air Base as a regional hub for our humanitarian relief efforts. This successful operation was a direct result of decades of joint exercises, training, and cooperation between Thailand and the United States and underscores the importance of foreign military financing (FMF) and international military education and training (IMET) assistance to our friends and allies throughout the region.

Counter-terrorism

Terrorism in the Asia Pacific region remains a serious threat to U.S. national security interests, including the welfare and security of our citizens in the region and the security of our regional friends and allies. It threatens the positive regional trends toward stability, democratization, and prosperity. We strongly support funding to train and equip counterterrorism units in Indonesia and the Philippines, to provide counter-terrorism (CT) training for Malaysia, the Philippines, Singapore and Thailand, and to support regional CT training, including at the new Southeast Asia Regional Center for Counter-terrorism in Malaysia. Additionally, East Asia and Pacific (EAP) has requested modest amounts for CT assistance to Cambodia and the Pacific islands. To deter the movement of terrorists and their goods, EAP supports new border control installations in Thailand and Indonesia, sustained border control progress in the Philippines and Cambodia, and improved export and transshipment control systems in Indonesia, Thailand, Singapore, Taiwan, Malaysia, and Vietnam.

In FY 2004 the bulk of our CT effort was still directed at terrorism tier one countries. But in fiscal year 2006, we can anticipate funding needs for CT operations elsewhere in the region. One of these is maritime security in Southeast Asia, particularly in the Strait of Malacca, through which 30 percent of total shipping and 50 percent of oil and gas shipments pass. We have exercised strong leadership in shaping conceptual, legal, and diplomatic improvements. We will seek to build greater regional capabilities and new forms of cooperation to address the vulnerability of maritime shipping in Southeast Asia, where an attack on the Malacca Strait or other key sea lanes could have an enormous impact on the regional, and indeed, the global economy.

In FY 2006, the EAP will expand CT related programs on economic growth and development, democratization, and such transnational issues as money laundering, counter-narcotics, passport fraud, and maritime crime. We will remain committed to addressing the financial, economic, and political conditions in the region that either foster terrorism or allow its practitioners to establish themselves within vulnerable populations. Several of our Indonesia and Philippine

programs, especially those in Mindanao, have been highly successful and could serve as models for similar programs in the region.

Economic Prosperity

We will seek to maintain the region's dynamic growth rates through expanded trade and investment, significant financial and corporate restructuring, and improved economic and political governance, including an end to endemic corruption. We aim to accomplish these goals through bilateral assistance, free trade agreements (FTAs), and multilateral trade and investment liberalization and facilitation programs in Asia Pacific Economic Cooperation (APEC) and ASEAN.

The Millennium Challenge Account (MCA) funding, which channels assistance to nations that govern justly, invest in their people, and encourage economic freedom can be used in several countries in the region to achieve these goals. Mongolia and Vanuatu are eligible for FY 2004 and FY 2005 MCA funding. By FY 2006, we are hopeful several additional countries in the region will be eligible for MCA funding.

On trade and investment, we are working with countries in the region to advance the World Trade Organization (WTO) Doha Development Agenda. We are pressing China, Taiwan, and Cambodia to fully implement their WTO obligations, and support Vietnam's accession to the WTO. We are working to increase regulatory and administrative transparency in the region, especially China, Indonesia, Korea, and Japan as it undertakes major privatization and pension reform programs. We will continue our work to reduce or eliminate tariff and non-tariff barriers throughout the region, such as high agriculture tariffs in Korea and Japan, semiconductor taxes and discriminatory product standards in China, and price and tariff barriers on rice in Taiwan. We continue negotiations on a Free Trade Agreement with Thailand. We will support economic reform in areas like intellectual property rights ranked by U.S. business as one of the greatest impediments to doing business in the region, biotechnology, and competition policy bilaterally and through organizations such as APEC. To accomplish these objectives, we are working to increase opportunities for economic dialogue with the countries of the region both bilaterally and multilaterally.

Weapons of Mass Destruction

We remain deeply concerned about the proliferation of nuclear, chemical, and biological weapons and their delivery systems. We have held discussions with China to persuade it to adhere fully to bilateral and multilateral nonproliferation agreements and to cooperate fully in pre-licensing and post-shipment verification checks related to U.S. dual-use exports. We also have sought China's cooperation in encouraging other countries to adhere to arms control and nonproliferation arrangements, and China has responded positively, in particular by playing a valuable role in hosting the six-party talks to address the North Korean nuclear issue. In those talks, we will continue to insist on the complete, verifiable, and irreversible dismantlement of North Korea's nuclear program. In FY 2006 we will continue our effort to prevent, contain, and reverse the possibility that any WMD might become available to rogue nations or non-state terrorist organizations, building on the success of the Proliferation Security Initiative (PSI).

Democracy and Human Rights

Promoting democracy and human rights remain high priorities on the President's agenda, and are mutually reinforcing alongside our other goals of political stability and economic prosperity. The relative stability of the East Asia and Pacific region has provided for important advances in democracy in places as diverse as Taiwan, South Korea, the Philippines, Mongolia, and Thailand. Indonesia is continuing its transformation into a democratic state but will continue to need assistance from us and other donors, including better educational opportunities, a government with greater respect for human rights, and good governance. A prosperous, democratic Indonesia

will in turn be a stronger partner for the United States, as we advance our regional strategic, economic, and counter-terrorist goals.

We will continue to work for more democratic governments and open societies, through individual country programs and regionally through the ASEAN Fund and other EAP regional funds. In Burma, the further consolidation of power by hardliners last October dealt a setback to international efforts to affect genuine national reconciliation and the establishment of democracy. We will support programs to promote democracy and provide humanitarian assistance to Burmese migrants in the Thai-Burma border region. In Cambodia, our efforts will focus on political party development and human rights monitoring. Programs that enhance transparency and good governance while combating corruption are key objectives.

The issue of human rights is an integral part of the U.S. approach to North Korea. U.S. officials work to raise awareness of the severity of North Korea's human rights abuses and humanitarian issues with the international community. In addition, when possible, U.S. officials raise these concerns directly with the North Korean regime. We are working to implement the *North Korean Human Rights Act of 2004*, which was enacted by Congress in response to serious concerns over North Korea's human rights record and the ongoing humanitarian crisis faced by the North Korean people. We will also continue to press other nations such as China and Vietnam for improvements in human rights and rule of law.

International Crime and Transnational Issues

Transnational issues, including terrorism, narcotics, human trafficking, piracy, transnational crime, and infectious diseases are a serious threat to regional stability. In FY 2006, EAP will address some of these issues through our ASEAN Fund, Developing Asian Institutions Fund, and Regional Fund requests. We support funding of humanitarian demining in Cambodia, Vietnam, and Laos. We also support funding for trade-related environmental capacity building, wetlands restoration, trans-boundary water management, and access to clean water.

Social and Environmental Issues

As noted above, the East Asia and Pacific region faces growing environmental and health challenges. The rapid growth of major cities has brought on problems in air and water quality, deforestation, and waste management. These are frequently cross-border problems, making a common regional strategy important. Our FY 2006 foreign assistance programs will support continued development of a regional approach toward sustainable management of both cities and natural resources and address the growing danger that unsustainable practices will exhaust forests, fisheries, and coral reefs. Requested funding will also support work under the President's Initiative against Illegal Logging, which specifically cites problems in Southeast Asia.

In the Pacific Island countries, fisheries, climate change, and oceanic research are all high priority U.S. interests. The impact of health issues on the stability and prosperity of East Asia is becoming increasingly clear. Of the 42 million people living with HIV/AIDS worldwide, an estimated 7.4 million are in Asia and the Pacific more than in any region outside of sub-Saharan Africa. One example of our efforts to help stem the growing AIDS epidemic in Asia was the President's designation of Vietnam as the 15th focus country in his emergency plan for AIDS relief.

Public Diplomacy and Public Affairs

The Global War on Terrorism has demonstrated the importance of foreign publics' perceptions of our foreign assistance programs generally and more specifically, U.S. efforts to counter terrorism. Public diplomacy is a critical factor in influencing these perceptions, both in the long and short terms. Fully 85-90 percent of the world's Muslims live outside the Middle East; most of these people are heirs to cultural traditions and values that in vital ways are distinct

from cultures found in the Arab world. In fact, Indonesia is the country with the largest Muslim population in the world. The recent tsunami tragedy has shown the good will that can be generated when foreign public's understand the good work Americans do for fellow human beings, regardless of race, religion, or ethnicity. American Corner public diplomacy outreach platforms in Korea, as well as a creative online presence, have helped stem chronic anti-American sentiment there. Over fifty similar platforms throughout the region can provide long-term traction in helping both Muslims and non-Muslims to view our policies with objectivity.

Regionalizing Assistance Programs

The Asia-Pacific region is experiencing a dramatic increase in multilateral cooperation and institution-building to address economic, security and transnational issues. This trend presents the United States with new opportunities to foster cooperation to address the major challenges that face the region. It also challenges the United States to stay firmly entrenched in the region's developing architecture despite the recent growth of Asia-only groups. EAP has already taken important steps to enhance its engagement with ASEAN through the Secretary's ASEAN Cooperation Plan (ACP). In addition to promoting cooperation on issues as diverse as HIV/AIDS and competition policy, ACP projects have generated extensive goodwill in Southeast Asia and helped to counter regional misperceptions that counterterrorism is the sole U.S. policy imperative in the region. ACP projects support American interests, as well as ASEAN's, in areas like improved governance, protection of intellectual property rights, and transparent regional integration.

We have a strategic interest in strengthening Asia Pacific regional institutions where the United States is an active participant. It is difficult, however, to support this strategic interest from a strictly bilateral funding portfolio. In an effort to address this problem, we are seeking to begin funding programs associated with EAP regional organizations such as APEC and ARF from a single new ESF budget line item, the Developing Asian Institutions Fund. The United States has successfully worked through APEC and ARF to advance U.S. strategic goals for trade and investment liberalization and facilitation, regional security, and counter-terrorism. The recent strengthening and expanding mandates of these organizations make them increasingly effective venues for achieving progress on U.S. priorities.

Tsunami Recovery

We experienced a dramatic refocusing of American attention on the region as a result of the tsunami disaster of December 26, 2005. The outpouring of goods, services, and funding our government and our private citizens provided to those in need was huge. We can look back on this as one of the proudest moments of our history. It reinforced a message to the peoples of Asia of American willingness to help those in need, generously and unhesitatingly. A transition is now taking place, as the affected countries move out of the emergency relief phase and enter the much longer and more difficult reconstruction phase. The U.S. will work closely with the countries concerned and the international community to coordinate the long-term assistance that will be needed. As our friends in Asia will see, we plan to see this effort through to its completion. We cannot yet predict the exact impact our humanitarian response will have on our relations with the affected countries and their neighbors, but our response was massive, and the impact will likely be great. This one event will likely alter the views of millions of people in the region about U.S. intentions, our capabilities, and indeed the very nature of our culture.

Of course none of the U.S. official response would have been possible without the visible support given to our relief efforts by Congress. We look forward to working with you to ensure that further funds appropriated by the Congress in support of the President's request for supplemental assistance for our tsunami efforts continue to be spent in ways that reflect credit on our government and our citizens.

Conclusion

Promoting regional stability and all of the elements that contribute to it requires a steady, consistent focus on achieving each of our FY 2006 objectives and the funding that allows us to maintain that focus. In every case, whether countering the terrorist threat in the region, promoting prosperity, combating the proliferation of WMDs, supporting democracy, or addressing transnational crime, the effective use of resources is the key to success. The EAP looks forward to working with Congress to ensure adequate funding and effective utilization of these funds to promote a more stable, prosperous, and democratic Asia-Pacific region.